Fiscal Policy\textsuperscript{1} for 
Iowa County Agricultural Extension District

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DISTRIBUTION

FISCAL POLICY APPROVAL

\textsuperscript{1} Based on legal requirements and/or GAAP and developed in cooperation with the State of Iowa Auditor’s office.

Approved by Extension Council on January 15, 2015
INTRODUCTION

The Cooperative Extension of USDA, Iowa State University Extension, and the County Agricultural Extension Districts are public agencies created by federal and state law. These agencies are supported by tax dollars and therefore are subject to the open records law for public funds.

County Agricultural Extension Council members, hereafter referred to as Extension Council, are elected at large during the General Election and as elected officials are held accountable for the use of public funds. Extension Council members may have to answer questions from auditors regarding the accountability of the public funds held within the County Extension account(s).

Extension Council has the responsibility to minimize financial and legal risk related to public funds. One method of risk prevention is to develop, implement, and maintain sound fiscal policies and procedures for the operation of County Extension programs. To be effective these policies and procedures must include all money held or passing through the County Extension office and be:

- Based on the Iowa Code 176A and Generally Accepted Accounting Principles (GAAP).
- Adopted by the Extension Council.
- Communicated to all employees, volunteer groups and cooperating entities to provide guidance and direction in accepting and spending public funds.
- Implemented in a consistent and effective manner.

A committee was formed to review the Fiscal Policy for County Agricultural Extension Districts. The committee consisted of representatives from Regional Extension Education Directors, Retiring County Extension Education Director, and Office Assistant with support from the State Auditor’s office and Iowa State University Extension administration.

The Iowa County fiscal policy is as follows:

SECTION I: MISSION

ISU Extension builds partnerships and provides research-based learning opportunities to improve quality of life in Iowa. ISU Extension is dedicated to local presence in every county and continues to engage the people of Iowa in six program areas: Agriculture and Natural Resources, Business and Industry, Communities and Economic Development, Continuing and Distance Education, Families and 4-H Youth Development.

SECTION II: DEFINITIONS

2.1 Generally Accepted Accounting Principles (GAAP)

GAAP is the standard framework of guidelines for financial accounting used in the United States. For local and state governments, GAAP is determined by the Governmental Accounting Standards Board (GASB). It includes the standards, conventions, and rules that accountants follow in recording and summarizing transactions, and in the preparation of financial statements.
A. Operating Account
The account used to record and report transactions of the County Agricultural Extension Education Fund established by Chapter 176A.8(13) in the Code of Iowa, including the County levied tax funds, County grants/contracts, County fee programs, Donor restricted & unrestricted, Tort and Unemployment.

B. Agency Account
The account used to record and report transactions for an agency fund established to hold funds in custody for an entity cooperating with County Extension programs. The Agency Fund is for non-Extension funds only owned by separate legal entities from the Extension Council. Refer to section 2.4 for further requirements of agency funds.

2.3 Public Funds
Public Funds are those funds owned by a public entity such as a County Extension District. This includes both tax and non-tax monies. All monies generated by users of the district entity are owned by the district, not the user, and are under the control of the local Extension Council.

All public funds are the legal responsibility of the Extension Council. Legal responsibility assigned by law cannot be transferred by Extension Council action.

All public funds have the same legal requirements for accounting, reporting, auditing, proper signatures, segregation of duties, publishing, bonding, investing and uniform financial accounting procedures.

A. County Agricultural Extension Fund
The Code of Iowa, Chapter 176A.12, requires that the County Agricultural Extension Fund be used to record income received from a tax levy (Property Tax, Delinquent Property Tax, Mobile Home Tax, Utility Replacement Excise Tax, Military Service/Mobile Home Replacement Tax, Grain Handled Tax, Mobile Home Elderly Replacement/Credit) and to record credits against levied taxes as a deduction from the total property tax due (Homestead Credit, Elderly & Disabled Credit, Disabled Veterans Homestead Credit, AgLand Credit, Family Farm Credit and Native Prairie Tax Credit).

The County Agricultural Extension Funds may be expended “for salaries and travel, expense of personnel, rental, office supplies, equipment, communications, office facilities and services, and in payment of such other items as shall be necessary to carry out the extension district program; provided, however, it shall be unlawful for the county agricultural extension council to lease any office space which is occupied or used by any other farm organization or farm cooperative, and provided further, that it shall be lawful for the county agricultural extension council to lease space in a building owned or occupied by a farm organization or farm cooperative.” (Chapter 176A.8.12)
B. Grants/Contracts Fund

The Grants and Contracts Fund receives funds from private and public sources for specially funded Extension programs that require a separate accountability for the funds.

C. Fee Program Fund

The Fee Program Fund is used to record all transactions related to a fee-based program (i.e. Funds which come to the county in the form of registration and/or user fees). Fees for service will be used to offset direct expenses and to support the specific Extension Program.

D. Donor Restricted Fund

The Donor Restricted Fund is used when donor has designated a purpose for the use of the funds outside of the “normal” annual county operations. A donation is considered “donor restricted” if:

- It has a specific purpose, and
- Is not part of the county’s normal annual operations, and
- Has written and signed documentation of the donor’s intent

E. Donor Unrestricted Fund

The Donor Unrestricted Fund is used when donor has not designated a purpose for the use of the funds outside of the “normal” annual county operations.

F. Tort Fund

Section 670.10 of the Code of Iowa permits the Extension District to levy a separate tax for the cost of tort liability benefits. This levy is in addition to the regular levy for the County Agricultural Extension Fund; however, the Tort Liability levy is only allowed when the regular levy for the County Agricultural Extension Fund is at its maximum limitation imposed by statute. These limitations for the Extension Districts are noted in Extension Law, Section 176A.10 and also in the Iowa Department of Management (IDOM) Budget Instructions. The Tort Liability Fund includes the District Liability insurance costs and the Public Officials/Errors and Omissions insurance costs, but not the office Property Insurance costs.
G. Unemployment Fund

Section 96.31 of the Code of Iowa permits the Extension District to levy a separate tax for the cost of unemployment benefits. This levy is in addition to the regular levy for the **County Agricultural Extension Fund**; however, the Unemployment Compensation levy is only allowed when the regular levy for the County Agricultural Extension Fund is at its maximum limitation imposed by statute. These limitations for the Extension Districts are noted in Extension Law, Section 176A.10 and also in the Iowa Department of Management (IDOM) Budget Instructions. Once the maximum levy limitation is reached, the Extension District has the choice to:

1. levy for Unemployment Compensation in addition to the regular levy for the **County Agricultural Extension Fund**; or
2. levy for unemployment insurance with Iowa Work Force Development; or
3. record unemployment claims as an expense in the County Operating Account.

Funds received from separate additional levy must be used for the following purposes:

1. To pay unemployment premiums to become part of the state plan
2. To pay unemployment claims to Iowa Workforce Development.

2.4 Agency Fund

The Agency Fund may be established to hold funds in custody for an entity cooperating with Extension programs. **The Agency Fund is for non-Extension funds only.** Agency funds typically involve the receipt, temporary investment and remittance of assets to their rightful owners.

Extension must **not** have the ultimate decision-making authority about the use of the funds. To determine who has the ultimate decision-making authority about the use of the funds, consider these criteria:

1. Is the non-Extension entity legally separate? If so, the legal entity has sole decision-making authority for the money held in the fund.
2. If any of the following apply, the Extension Council has the ultimate decision-making authority:
   - Is the entity appointed by the Extension Council?
   - Does the entity carry out any part of the Extension program?
   - Is the Extension Council able to, if so desired, impart its will on the entity?
   - Does the Extension Council support the entity with other funding through the County Operating Account?

**The Extension Council does not authorize the use of an Agency Fund at this time.**

2.5 Internal Control

Internal control shall consist of procedures established to provide reasonable assurance Agricultural Extension District funds are properly used and are safe. The concept of reasonable assurance recognizes that the cost of the internal control must not exceed the anticipated benefits.
2.6 Petty Cash (Expenditures Only)
Cash used to purchase budgeted small items such as stamps for the County Extension office. Petty Cash is used for expenditures only – cash, check, IOU slips and/or credit receipts are not to be placed in petty cash.

The Extension Council does not authorize the use of a Petty Cash. If authorized, the amount of the imprest fund is $XX (Extension Council determines).

2.7 Cash Box (Income Only)
Cash box is used for cash, check and/or credit receipts. The cash box is not to be used for expenditures. The cash box is used for making change for collection of income.

2.8 Bank Reconciliation
The process of matching and comparing figures from accounting records against those presented on a bank statement each month. The balance of the accounting ledger should reconcile (match) the balance of the bank statement less any items which are outstanding. All reconciling items should be documented and retained with the bank reconciliation.

2.9 Monthly Reconciliation
The process of matching and comparing figures among the financial reports including: the Balance Sheet, the Revenue and Expense Report and the Bank Reconciliation Report.

SECTION III: INTERNAL CONTROL

3.1 Income/Revenue

A. Endorsement
All checks received must immediately be stamped with a restricted endorsement (For Deposit Only – A/C # XXXXXXXX)

B. Documentation of Funds Collected
Cash, check and/or credit card receipts received in the County Extension office should be recorded in a pre-numbered duplicate copy receipt book. The duplicate copy of the receipt is for the customer. For receipts less than $XX (Extension Council determines - $10 recommended), a log of similar items may be kept, totaled weekly and attached to a pre-numbered receipt. The use of a log is not approved at this time.

An alternative, if approved by Extension Council: Cash, check and/or credit card receipts received in the County Extension office may be recorded in an Excel computer log using consecutive numbers. A receipt should be printed if requested by the customer. This format is not approved at this time.
C. Cash box

- The cash (change) box/bag shall be kept in a locked and fireproof safe or file cabinet in a secure location within the office and accessible only to identified personnel who are bonded.

- Cash held in the County Extension office cannot be used as a source for cashing personal checks of employees or the public.

- Personal “IOU” slips in cash (change) box are not permissible; it is an unacceptable accounting of public funds.

- Deposit preparation of checks, cash and coin and actual deposit shall be conducted by a staff member who has not processed receipt of funds. (Extension Council is encouraged to develop a plan to provide separation of duties to safeguard public funds; however, Extension Council may waive this policy if the cost of the internal control exceeds the anticipated benefits. Documentation of plan for separation of duties or rationale to waive this policy is strongly recommended.)

The rational to waive this policy is that the cost of internal control exceeds the anticipated benefits. The number of personnel is small. The Extension Council reviews the financial reconciliations monthly and an outside bookkeeper has been hired to reconcile accounts.

D. Reconciling Income

Monthly reconciliation must be conducted of deposits recorded on the county accounting system to the bank statement. The deposits may include: County Tax Funds, Grant Income, Fee Revenue, Resale Revenue and Other Revenue.

Monthly reconciliation must also be conducted of the Receipt Book to the bank deposits.
E. Monies collected off-site

- All checks received must immediately be stamped with a restricted endorsement (For Deposit Only – A/C # XXXXXXXX)

- Cash, check and/or credit card receipts received outside the County Extension office (i.e. county fair, etc.) should be recorded in a pre-numbered duplicate copy receipt book (example: livestock weigh-in). The duplicate copy of the receipt is for the customer. Preprinted sign-in sheets may be used as documentation of number of paid attendees (example: PAT – state form).

- After the event, the cash received should be counted by two employees or designated volunteers, recorded and signed by both, and locked in the cash box/bag. The locked cash box/bag should remain with the employee or designated volunteer at all times until it is returned to the County Extension office (preferably within 24 hours).

Upon return of cash to the County Extension office, an employee who did not receive the funds at the event, should count the cash and/or credit cards, reconcile to the pre-numbered receipt book or preprinted sign-in sheets.

F. Deposit of funds

Extension Council is encouraged to develop a policy for timely deposit of funds to safeguard the public funds. Extension Council highly recommends that public funds held in the County Extension office be deposited weekly in the appropriate bank account and at any point in time that the total currency is in excess of $1000.

3.2 Expenditures

A. Appropriate Expenditures

Expenditures paid with money collected and disbursed from the County Agricultural Extension Fund should be used to deliver quality research-based information in agriculture, business, industry, families, youth and community development for the benefit of all Iowans.

(1) The Extension Council shall establish policies for expenditure of public funds within the approved budget.

Examples include, but not limited to:

- A policy to allow public funds to be utilized to support the components of the County Extension volunteer system including identification, selection, orientation, training, utilization, recognition, and evaluation.

- A program policy to allow recognition as a component of the Youth and 4-H program.

- A policy to allow the purchase of food in the support of educational programs/meetings at the discretion of the Extension Council.
(2) The Extension Council requires prior approval for any single purchase in excess of $2500 recommended or any expenditures not approved in the approved budget.

(3) Extension Council approval is required before committing public funds for capital expenditures.

B. Expenditure Policy

(1) All non-payroll expenditures are to be paid by check, credit card and/or electronic fund transfer (EFT). All EFTs must be pre authorized by the Extension Council.

(2) Avoid, except in unusual circumstances, reimbursing an employee for cash purchases.

(3) Checks shall be signed and distributed only after the service has been rendered or item has been ordered and/or received. Exceptions: rent payment due at beginning of month; health insurance premium due at beginning of quarter.

(4) The Extension Council shall authorize the County Extension Council Treasurer and/or other designated bonded Extension Council member to sign checks for payments from the Operating Account.

(5) The Extension Council shall authorize the County Extension Council Treasurer and/or other designated bonded Extension staff member to sign checks for payments from any Agency Account.

(6) Direct Deposit for Payroll-See Electronic Transfers 5.6,

C. Petty Cash

The Extension Council does not authorize the use of Petty Cash.

- A petty cash fund may be established for budgeted expenses (i.e. stamps, etc). Petty cash is not approved at this time. Receipts must be retained for all expenditures.

- The petty cash fund shall be replenished to the established balance on a monthly basis or as needed. A check should be written equal to the total petty cash receipts. Receipts should be attached to a claim for reimbursement.

- Petty cash shall be kept in a locked and fireproof safe or file cabinet in a secure location within the office and accessible only to identified personnel who are bonded.

- Cash held in the County Extension office cannot be used as a source for cashing personal checks of employees or the public.

- Personal “IOU” slips in cash/change drawer are not permissible; it is an unacceptable accounting of public funds.

3.3 Fiscal Oversight
A. The County Extension Council Treasurer or designee shall present to the Extension Council the following monthly financial reports:

- A Balance Sheet (formerly named Account Balance Report) which provides bank account balances, payroll liabilities and fund balances.
- A Voucher Report which lists the voucher/check number, name of vendor, amount of check, total amount of expenditures.
- A Extension Council Revenue & Expense Report (formerly named Budget Report) which shows the actual income and expense compared to the budget.
- Bank Reconciliation Report

B. The minutes of the Extension Council meeting shall record the approval of the following:

- Balance Sheet
- Voucher report (with a consecutive range of voucher/check numbers)  
  (Include explanation of nonconsecutive items)
- Extension Council Revenue & Expense Report
- Bank Reconciliation Report

C. The approved Voucher Report shall be attached to the minutes of the Extension Council meeting.

3.4 Bonding

A. The Treasurer and/or Chair of the Extension Council must be bonded consistent with Extension law (Chapter 176A.14(4) of the Code of Iowa). A record of that bonding is sent to the County Auditor's office. A copy of the completed Auditor’s Certification is sent to the Regional Extension Education Director.

B. Any staff member or Extension Council member who has access to, or responsibility, for Extension District funds shall be bonded.

3.5 Budget

The Extension Council shall annually prepare a budget for the fiscal year beginning July 1 and ending the following June 30, for the Operating Fund, Tort Fund and Unemployment Fund in accordance to Chapter 24, Code of Iowa. A Notice of Public Hearing and Proposed Budget Summary must be published not less than 10 nor more than 20 days before the hearing. Budgets must be certified to the County Auditor by March 15th.

The ISU Extension Finance Office will update the cumulative carryover summary (breakdown of carryover in terms of tax levy carryover, grants/contracts, fees, other) at the end of each fiscal year for the Extension Council to use as a planning and decision making tool for the next budget preparation process.

3.6 Budget Amendment

If during the year, expenditures are expected to exceed the amounts for any fund in the adopted budget, the budget must be amended in accordance to Chapter 24.9, Code of Iowa. The amendment must be approved by The Extension Council before expenditure
amounts are exceeded. Budget amendments require the same notice and hearing procedures as required for the adoption of the original budget.

3.7 Reporting of Impropriety

Fiscal irregularities shall be reported immediately to the County Extension Council Chair, the County Extension Council Treasurer, the Regional Extension Education Director and the Director of Field Operations.

SECTION IV: ROLES/RESPONSIBILITIES

4.1 Role of Extension Council

A. Responsibility

- The County Agricultural Extension Council is legally responsible for all money handled within and through the County Extension office. Responsibility includes, but is not limited to, budget development, signing vouchers, signing checks and reviewing financial reports for the County Extension program.

- The Extension Council may authorize a separate checking account and fund to handle income and expenses held in custodial capacity. If authorized, this fund is called the “Agency Fund.” Delegation of responsibility shall be limited to the payment of expenses for which the funds were collected and at the request of the entity owning the money.

- The voucher report listing expenditures incurred since the last Extension Council meeting shall be submitted to the Extension Council for review and approval. Subsequent Extension Council minutes should reflect “a consecutive range (#XXX to #XXX) of voucher/check numbers was approved”.

B. Delegation of Responsibility

- The Extension Council delegates the responsibility for the day-to-day operation of the Fiscal Policy to the County Extension Council Treasurer or designee. The Extension Council Treasurer or designee may delegate to appropriate support staff the implementation of predetermined procedures, i.e.: bookkeeping, ordering, preparation of invoices and checks.

- At the annual January organizational meeting, the Extension Council may authorize the Extension Council Treasurer and/or other designated bonded Extension Council member to sign checks for the Operating Fund prior to the regular Extension Council meeting for:

  (1) Employee payroll, if the compensation has been previously budgeted or approved by the Extension Council.

  (2) Budgeted expenditures including, but not limited to: rent, utilities, program and office supplies, contractual services.

- At the January organizational meeting, the Extension Council may authorize the Extension Council Treasurer or designee to sign checks from the Agency Fund prior to the regular Extension Council meeting to pay for the items for which the money was collected.
C. Public Accounting of Fund

Annually, the Extension Council shall publish in two district newspapers before August 1 a full and detailed report of all receipts and expenditures in the Operating Fund and Agency Fund for the last fiscal year consistent with Extension law (Chapter 176A.8(16) of the Code of Iowa).

D. Audit

The Operating Fund, the Grants and Contracts Fund, and the Agency Fund are audited yearly as part of the County audit. If a written audit report is received, a copy shall be included in the Extension Council minutes.

E. Amending Fiscal Policy

Amendments to the fiscal policy shall be approved by the Extension Council at a regular, scheduled meeting.

4.2 Role of County Bookkeeper

A. Cash Receipts

An employee who does not receive the funds, should weekly count the cash, reconcile the cash & credit cards receipts to the pre-numbered receipt book, and record the receipts into the county accounting system.  *Extension Council at any time may review the deposit slips and receipt book. An outside bookkeeper shall reconcile the accounts.*

B. Reconciliation of Bank Statements

- The County Extension bookkeeper shall perform the monthly bank reconciliation on the county’s accounting system.
- The Extension Council Treasurer or designee shall review and initial the bank statement for timely deposit and reasonable account balance.

C. Safekeeping of Records

- All transaction documents shall be kept on-site in a safe location for a period of five years, except for a printed copy of the final year-end reports for permanent record. The permanent final year-end reports: Balance Sheet, Voucher Report, Extension Council Revenue & Expense Report, Director’s Revenue & Expense Report, Bank Reconciliation Report & Published Report.

D. Internal Review

- The Extension Council Treasurer or designee shall review the minimum monthly standard reports with the bookkeeper prior to the Extension Council meeting. (Balance Sheet, Directors’ Income and Expense report, Extension Council Income and Expense Report, Voucher report, Bank Reconciliation Report and other reporting specific to county i.e: Empowerment or Agency)
- On a non-scheduled, regular basis the Extension Council Treasurer or designee shall conduct an internal review of the procedures established for the accounting system.
4.3 Role of the Extension Council Budget Committee, or in the absence of such committee, an Ad Hoc Committee as designated by the Extension Council

The Extension Council Budget Committee or Ad Hoc Committee shall have continuous review responsibility over this Fiscal Policy. The committee shall make change recommendations to the Extension Council.

4.4 Role of the Regional Extension Education Director

Regional Extension Education Director provides leadership to each county Extension council within the region to meet their legal obligations as an elected body and to carry out the roles and responsibilities of an Extension District. This includes initiating strategies for the Extension council’s implementation of fiscal management, and grant and contract management. The Regional Director appropriately administers the resources and oversees completion of all system reports for the region.

SECTION V: OTHER

5.1 Ethics and Conflict of Interest

The Treasurer, members of the Extension Council, and employees of the Extension Council shall refrain from any activity that would present a conflict of interest or the appearance of a conflict of interest with respect to the conduct of Extension Council Business.

5.2 Delegation of Authority

Extension Council has the fiscal oversight responsibility of all business transactions. The County Bookkeeper facilitates the actual transactions as directed by the County Extension Council Treasurer or designee.

5.3 Investment

_Iowa Code 12B.10A Public Investment Maturity and Procedural Limitations_

_The investment of public funds which are operating funds by a political subdivision shall be subject to the following:_

_a. As used in this section, “operating funds” means those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt._

_b. Operating funds must be identified and distinguished from all other funds available for investment._

_c. Operating funds may only be invested in investments which mature within three hundred ninety-seven days or less and which are authorized by law for the investing public entity._

A. Objectives

- To preserve the safety of the invested funds.
- To maintain the liquidity of the funds consistent with cash flow demands.
- To obtain a reasonable return on the invested funds.
B. Prudence

The County Extension Council Treasurer shall exercise the care, skill, prudence, and diligence that a responsible person would normally use when making similar investments.

C. Eligible Investment

The County Extension Council Treasurer shall invest funds in an interest bearing checking account, an interest bearing savings account and/or certificates of deposit, at the Extension Council’s designated depository bank(s).

D. Investment Maturity Limitations

All investments must mature within three hundred ninety-seven (397) days or less per Code of Iowa 12B.10A.

E. Safekeeping and Custody

All investment instruments and records of investments shall be secured in a fireproof safe or file at the County Extension Office; or may be retained in a bank safety deposit box with copies retained a secured location at the County Extension Office.

F. Review and Amendment

This policy shall be reviewed annually during a regular meeting of the Extension Council and may be amended by action of the Extension Council at any regular or special meeting of the Extension Council.

5.4 Credit Card

A. Authorization of Fund

- The Extension Council must authorize the application for a credit card. 
  *The Extension Council does authorize the use of a Credit Card, subject to the proper documents below that need executed.*

- The Extension Council must approve the single purchase limit of **$2500** as stated in Section 3.2A(2) and the maximum credit limit of **$5000**.

- The Extension Council must approve allowable expense categories.
B. Responsibility for Funds

- Extension Council will:
  - Authorize the application for a credit card
  - Determine the name on the card and who is authorized to use the card
  - Establish expenditure limits for single transactions and maximum card debt
  - Pre-approve (all, or amount of expenditures) purchases

- The Extension Council Treasurer or County Paid Staff designee:
  - Should establish non-allowable expenses categories (to be approved by Extension Council).
  - Must retain copies of signed credit card agreement and user’s acceptance of responsibility form for each staff authorized to use a credit card. (Form can be found as part of the Human Resources New Employee form or at this website: http://www.extension.iastate.edu/NR/rdonlyres/A5C7B07D-72F4-421E-9380-3159FA5E9E47/112203/CountyOfficeCreditCardPolicy.pdf
  - Must approve all credit card purchases.
  - Must maintain proof of purchase documentation for all expenditures.

- Card User:
  - Obtain and provide receipts or statement of purchase to appropriate staff.
  - Report immediately to Credit Card Company, Extension Council Treasurer and County Staff Designee
  - Agree and purchase ONLY allowable items as approved by the Extension Council
  - Understands and agree that improper use may result in disciplinary action up to and including dismissal in accordance with applicable policies
  - Must not loan card to another person
  - Must sign the “Credit Card Agreement”

C. Personal Use

- The purchase of personal items is absolutely prohibited.
- The cardholder has full responsibility for any improper charges.

D. Credit Card Agreement Form can be found at:
  http://www.extension.iastate.edu/extensionfinance/policies.htm

5.5 Debit Card

Use of a debit card is not allowed under Iowa Code Section 176A.14.4 per the State of Iowa Auditor.

“The treasurer shall receive, deposit and have charge of all of the funds of the extension council and pay and disburse the same as in this chapter required, and as may be from
time to time required by the extension council. The treasurer shall keep an accurate record of receipts and disbursements and submit a report thereof at such times as may be required by the extension council.” (Chapter 176A.14.4)

A debit card transaction is a final transaction in which the treasurer does not “have charge of all of the funds of the extension council”. State Agencies are not allowed the use of a debit card.

5.6 Electronic Funds Transfer (On Line Banking)

A. Types of Electronic Funds Transfers

- Direct Payroll Deposit
- Federal withholding payment
- Online bill pay (i.e. Bank makes authorized payments to vendors)
- Transfer funds between bank accounts
- Automatic Bill Pay (i.e. Vendors debit the bank account)

B. Authorization of Fund

- The Extension Council must pre-authorize all automatic Electronic Funds Transfers for payroll direct deposit, Federal withholding payments and online bill pay.
- The elected Treasurer negotiates with the bank the fee associated with Electronic Funds Transfers and signs the agreement for electronic payment with the bank.
- The Extension Council will appoint the person(s) who can legally transfer money by phone or online between Extension bank accounts. The appointed person must be bonded.

C. Direct Payroll Deposit

- Direct deposit for employee payroll is permissible only for individuals who have formally requested an automatic deposit to their bank account.
- County Bookkeeper prepares Electronic Funds Transfer payroll instructions.
- Treasurer approves the payroll EFT by signing instructions (similar to signing an employee payroll check).
- Electronic Funds Transfer payroll instructions are delivered to bank.
- Bank follows instructions and transfers funds to employee’s account.

D. Automatic Bill Pay

- Automatic Bill Pay is when vendors automatically debit an account via Electronic Funds Transfer (EFT).
- The Automatic Bill Pay should be limited to monthly bills that remain the same amount throughout the fiscal year (example: rent).
- County Bookkeeper prepares Automatic Bill Pay vendor forms.
- Treasurer approves the vendor Automatic Bill Pay forms.
- Automatic Bill Pay forms that have been signed and approved by the Treasurer are delivered to vendor.

5.7 Volunteer Support

A. Definition
A Volunteer is any unpaid person, adult or teen, in a leadership capacity who contributes time to the promotion, organization, assistance, or leadership of a program supported by ISU Extension and the County Agricultural Extension District.

B. Components

Components of a volunteer management system shall include identification, selection, orientation, training, utilization, recognition and evaluation. It is appropriate, when deemed necessary, to utilize public funds to support the components of this system, as prescribed in the approved fiscal policy.

5.8 Public Bid

The State of Iowa and the Federal Government both require fair and open competition based on functional and generic specifications. Careful development of bid specifications helps assure that the goods and services offered by vendors meet your needs. The Extension Council is responsible for establishing a policy that outlines when the procurement of goods and services must be competitively bid. Written competitive bids are **required** for purchases which are expected to exceed $10,000 – **recommended by ISUEO**. Competitive bids may be obtained at lower dollar levels, when the Extension Council determines it is in the best interest of the County Extension.

5.9 Sales Tax Exemption

All purchases for the County Extension District should be exempt from sales tax.

**Policy Statement**

The Iowa Code, Section 423.3 entitled “Exemptions” indicate that the Board of Regents Institutions, which includes Iowa State University, are exempt from sales tax. The County Agricultural Extension District operates in partnership with Iowa State University, Iowa’s land grant institution, and the Cooperative Extension Service which was established in 1914 by the Federal Congress through passage of the Smith-Lever Act. **Pursuant to Iowa Code Section 422.45(5), a County Extension District as a "tax-certifying or tax-levying body of the state of Iowa" is exempt from sales and use taxes.** The tax exempt status of the District when purchasing from out-of-state vendors is determined by the selling state and may vary from state to state.

Tax exemption certificates are not issued as evidence of tax exempt status. County Extension Offices may photocopy this information as proof of their tax exempt status.

5.10 Medical Spending Plan

Extension Council must approve a **qualified** Cafeteria Plan as defined in the Iowa Code, Section 125 (a), 125 (f), 105, 106, 129 and 137 **before** a medical spending plan can be offered to employees.

Council financial reports **must not** include detailed information on the medical spending account as the employees’ privacy is protected under the Health Insurance Portability and Accountability Act of 1996 (HIPPA).
Distribution:

Following adoption by the Extension Council, copies of the Fiscal Policy shall be delivered to:

- Extension Council members,
- The Regional Extension Education Director,
- County Employees
- The County Bookkeeper,
- The Extension Council’s files for auditor upon request.

**FISCAL POLICY APPROVAL**

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<th>Approved on January 15, 2015, by the Iowa County Agricultural Extension Council</th>
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<tr>
<td>Signed:____________________________, Secretary</td>
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